What is claimed is:

1.   In processing a mortgage application, where a real property is presented as collateral by the mortgage applicant, a method of preventing a
5   mortgage fraud by using a computer system, the method comprising the steps of:

(a) maintaining a database in the computer system, the database containing data regarding a plurality of real properties, the data including an identification, a valuation, and a historical market activity associated with each
10   real property;

(b) providing information on the mortgage application to the computer system; and

(c) analysing the information provided from the mortgage application and the data in the database to search for any abnormal situation therein, which may
15   constitute a potential mortgage fraud scheme;

(d) wherein, when the abnormal situation is flagged, measures can be taken to prevent a mortgage fraud from occurring.

2.   A method according to claim 1, wherein a geographic information
20   system is incorporated into the computer system, thereby supporting a geographic identification of each real property.

3.   A method according to claim 1, wherein the historical market activity data includes historical sales-related information, and previous financing
25   and refinancing information of each real property, together with the participants' names.

4.   A method according to claim 1, wherein the database further includes a list of suspicious names, which is updated consistently whenever an
30   abnormal situation is flagged or a mortgage fraud is reported.

5.   A method according to claim 1, wherein the information provided from mortgage applications is stored in the database as data thereof.

5   6.   A method according to claim 1, wherein the step of maintaining the database includes a step of receiving from a plurality of mortgage lenders information necessary for establishing and updating the database.

7.   A method according to claim 6, wherein the step of maintaining the
10   database further includes a step of receiving from an automated valuation model (AVM) system information necessary for establishing and updating the database.

8.   A method according to claim 7, wherein the step of maintaining the database further includes a step of receiving from a property tax-related
15   organization information necessary for establishing and updating the database.

9.   A method according to claim 1, wherein the database is updated continuously or on a regular basis.

20   10.   A method according to claim 1, wherein the abnormal situation is identified by detecting data patterns similar to data patterns determined from known cases of fraudulent activities.

11.   A method according to claim 1, wherein the abnormal situation is
25   flagged when multiple mortgage applications are involved with respect to a single real property, and the difference between the property values declared by the applicant of each application meets a predetermined criteria.

12. A method according to claim 3, wherein the abnormal situation is flagged when two or more sales transactions are detected for a single real property and the difference between the sale prices meets a predetermined criteria.

13. A method according to claim 1, wherein the abnormal situation is flagged when the property address in the mortgage application mismatches the property owner's address.

14. A method according to claim 3, wherein the abnormal situation is flagged when the sale price is inconsistently high.

15. A method according to claim 1, wherein the abnormal situation is flagged when the declared property value in the mortgage application is inconsistently high.

16. A method according to claim 1, wherein the abnormal situation is flagged when the declared property value or the requested loan amount from the mortgage application is unreasonably high.

17. A method according to claim 1, wherein the abnormal situation is flagged when the registered property owner name mismatches the applicant's name or the seller name on the mortgage application.

18. A method according to claim 4, wherein the abnormal situation is flagged when the applicant name or the seller name matches one of the suspicious names.

19.   A method of preventing a mortgage fraud by using a computer system, the method comprising steps of:

(a) maintaining a database in the computer system, the database containing data regarding a plurality of real properties, the data including an identification data, a valuation data, and a data of historical market activities associated with each real property;

(b) analysing the data to flag abnormal situations therein, which constitute a potential mortgage fraud; and

(c) providing a list of real properties containing flags.

20.   A method according to claim 19, further comprising a step of distributing the list of real properties containing the flags to a plurality of mortgage lenders.

21.   A method according to claim 19, wherein the data analyzing step is carried out on a regular basis.

22.   A method according to claim 19, wherein a geographic information system is incorporated into the computer system, thereby supporting a geographic identification of each real property.

23.   A method according to claim 22, wherein the data analyzing step is carried out on the basis of geographic area or neighbourhood.

24.   A method according to claim 19, wherein the abnormal situation is flagged by considering a data pattern determined from known cases of fraudulent activities.

25.   A method according to claim 19, wherein the abnormal situation is flagged when two or more sales transactions for the same real property are detected and the difference between the sale prices meets a predetermined criteria.

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26.   A method according to claim 19, wherein the abnormal situation is flagged when a sale price is inconsistently high.

27.   A method according to claim 19, wherein the database further

10   includes a list of suspicious names, which is updated consistently whenever an abnormal situation is flagged or a mortgage fraud is reported.

28.   A method according to claim 27, wherein the abnormal situation is flagged when a seller or purchaser name of a sales transaction matches one of

15   the suspicious names.

29.   A computer system for preventing a mortgage fraud, the system comprising:

(a) a database containing a data regarding a plurality of real properties,

20   the data including an identification data, a valuation data, and a historical market activity data associated with each real property;

(b) means for analysing the data to search for an unacceptable situation therein, which may constitute a potential mortgage fraud; and

(c) means for providing a list of real properties containing flags.

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30.   A system according to claim 29, further comprising a plurality of mortgage lenders' systems communicatively connected with the system via a communications network.

31.   A system according to claim 30, wherein information associated with a loan application is provided from the mortgage lender to the system; and further comprising:

(a) means for analysing the information provided from the loan application by the lender and the data in the database to search for an unacceptable situation therein, which may constitute a potential mortgage fraud scheme; and

(b) means for informing the corresponding mortgage lender of the analysis result, when any unacceptable situation is flagged, thereby enabling the lender to take measures to prevent a mortgage fraud from occurring.

32.   A system according to claim 30, wherein the lender's system receives via the communications network the list of real properties containing flags.

33.   A system according to claim 30, wherein the lenders' systems provide via the communications network information necessary for updating the database.

34.   A system according to claim 29, further comprising a plurality of real property-related organizations via a communications network for exchanging relevant information.

35.   In processing a mortgage application, where a real property is presented as collateral, a method of preventing a mortgage fraud, the method comprising the steps of:

(a) receiving information on a mortgage application from a mortgage lender;

(b) providing the received information to a computer system, the computer system having a database containing data regarding a plurality of real properties,

the data including an identification, a valuation, and a historical market activity associated with each real property;

     (c) analyzing the information to flag abnormalities; and

     (d) sending any flag to the mortgage lender.

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